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BY ECF and HAND DELIVERY

Hon. William H. Pauley III
United States District Judge
Daniel P. Moynihan United States Courthouse
500 Pearl Street
New York, New York 10007

Re: *CFTC v. Parnon Energy, Inc., et al.*, Case No. 11-cv-3543 (WHP)

Dear Judge Pauley:

Defendants and the Commission jointly submit this letter to request a modification of your January 30, 2014 Scheduling Order to allow the parties to pursue the possibility of resolving this matter through mediation.

The parties have agreed in principle to enter into mediation. In order to devote the necessary resources to that process, the parties request that the case schedule be modified as follows:

- 1) Immediate stay of all proceedings in the case other than mediation for 60 days;
- 2) Further stay of all proceedings after expiration of the initial 60 day period if both parties agree further efforts would be fruitful or if agreement is reached on terms that are acceptable to the Defendants and that the Division of Enforcement will recommend to the Commission (and are subject to Commission approval); and
- 3) Extension of all unexpired dates in the January 30, 2014 Revised Scheduling Order by 60 days, subject to any extension of the stay granted by the Court. The Commission expects that, if the parties do not reach a settlement, it will seek further modification of the schedule to provide for briefing of dispositive and evidentiary motions.

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The parties respectfully submit that the current case schedule would not allow sufficient time for the parties to both pursue mediation and comply with the remaining dates in the Court's schedule. Accordingly, the agreement in principle to mediate is conditioned on the Court's granting this request.

Respectfully submitted,

/s/ Timothy J. Carey

Timothy J. Carey
Winston & Strawn LLP

/s/ Christine M. Ryall

Christine M. Ryall
U.S. Commodity Futures Trading Commission

cc: All Counsel of Record via ECF